

## **Phase Out Tariffs, Phase In Trade?**

**James Lake, Tibor Besedes, and Tristan Kohl**

ABSTRACT What causes U.S. trade with Mexico and Canada to continue growing faster, for up to a decade, relative to countries with which the U.S. does not have a free trade agreement? Baier and Bergstrand (2007) suggest that tariff phase-outs and delayed pass through of tariffs into import prices could cause such prolonged differential import growth. We examine how tariff cuts negotiated under the Canada-US Free Trade Agreement and North American Free Trade Agreement affected U.S. import growth in 1989--2016 using detailed product-level data on tariff stagings in the original treaties. We find essentially no evidence for the tariff phase-out or delayed pass through explanations.